



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0354	Title:	Establish a loss mitigation special revenue account
Primary Sponsor:	Brodehl, Randy	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$590,645	\$590,645	\$590,645	\$590,645
Other	(\$590,645)	(\$590,645)	(\$590,645)	(\$590,645)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$590,645	\$590,645	\$590,645	\$590,645
Other	(\$590,645)	(\$590,645)	(\$590,645)	(\$590,645)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 354 has no direct fiscal impact to the Department of Administration, Risk Management and Tort Defense Division. The bill transfers existing funds from the division's current proprietary fund to the new state special revenue fund but does not create further fiscal impact.

FISCAL ANALYSIS

Assumptions:

Department of Administration

Risk Management and Tort Defense Division

1. It is assumed that the premiums to be collected from FY 2016 through FY 2019 would be \$19,688,161. This is the amount adopted by the Joint Appropriations Subcommittee on General Government.
2. 3% of the budgeted premiums would be \$590,645 ($\$19,688,161 \times 3\% = \$590,645$).
3. This amount would be available for grants to agencies to fund items that reduce or mitigation risks related to property, automobiles, aviation or general liability.

Office of Budget and Program Planning

4. The bill requires that any distribution over \$30,000 is subject to approval by the Office of Budget and Program Planning. The staff time to analyze such distributions is not anticipated to be significant and could be completed within existing staff workloads.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$590,645	\$590,645	\$590,645	\$590,645
Other (06)	(\$590,645)	(\$590,645)	(\$590,645)	(\$590,645)
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$590,645	\$590,645	\$590,645	\$590,645
Other (06)	(\$590,645)	(\$590,645)	(\$590,645)	(\$590,645)
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Other (06)	\$0	\$0	\$0	\$0

Technical Notes:

1. Through the Statewide Cost Allocation Plan, the federal government closely scrutinizes every transfer made from an internal service fund where the federal government is participating. Transfers out of the internal service funds are often viewed as a potential excess of fund balance. The federal government could require that their portion of the transfer be returned directly to them. Thus, it would not be available to be used by the state special revenue fund for loss mitigation purposes.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date